

RECORDATION NO. 1 5103 Filed & Recorded

NOV 24 1986 2-30 PM

University State Bank

INTERSTATE COMMERCE COMMISSION

Shelley Martell
Loan Operations Office

RECORDATION NO. 1 5103 Filed & Recorded

NOV 24 1986 2-30 PM

11-14-86

INTERSTATE COMMERCE COMMISSION
RECORDATION NO. 1 5103A Filed & Recorded

NOV 24 1986 2-30 PM

Fee \$

30.00

Mildred Lee, Room 2303
Interstate Commerce Commission
Twelfth Street and Constitution Ave., N.W.
Washington, D.C. 20423

ICC Washington, D. C.

Dear Ms. Lee,

Enclosed you will find two original security agreements and a copy of a Management Agreement. Please record these documents and return to the undersigned. I am aware that you require all documents be original with signatures notarized, however, a new Management Agreement is in the process of being signed and should be ready for recording soon. Meanwhile, I would like to record this copy. A check for \$30.00 is also enclosed.

The debtor's name and address is as follows:

Robert K. Moses, Jr.
4545 Post Oak Place #180
Houston, Tx 77027

The secured party's name and address is as follows:

University State Bank
John E. Davis, President
P. O. Box 6568
Houston, Tx 77265
713-692-3565

The Manager of the tank cars is as follows:

Richmond Leasing Company
777 South Post Oak Road
Houston, Tx 77056

University State Bank

Shelley Martell
Assistant Vice President

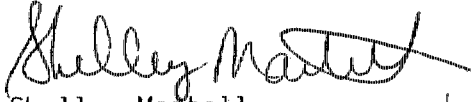
11-14-86

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If you should need any additional information or have any questions, feel free to contact myself or John E. Davis at 713-692-3565.

Your assistance in this matter is greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Shelley Martell". The signature is written in dark ink and is positioned above the printed name and title.

Shelley Martell
Assistant Vice President

Interstate Commerce Commission

Washington, D.C. 20423

11/24/86

OFFICE OF THE SECRETARY

Shelley Martell
Assist. Vice President
University State Bank
5615 Kirby Drive, P.O. Box 6568
Houston, Texas 77265

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/24/86 at 2:30pm, and assigned re-recording number(s). 15103, 15103-A & 15103-B

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

SECURITY AGREEMENT

RECORDATION NO. 1 5103 Filed & Recorded

Debtor and Secured Party hereby agree as follows:

SECTION 1. DECLARATIONS AND DEFINITIONS

(A) "Debtor" is Robert K. Moses, Jr. (name)
4545 Post Oak Place #180 (no. and street) Houston, Harris County, Texas (city) 77027 (state) INTERSTATE COMMERCE COMMISSION (zip code)

(B) "Secured Party" is University State Bank, 5615 Kirby Drive, P. O. Box 6568, Houston, Harris County, Texas 77005

(C) Identification of Collateral. The "Collateral" includes money or property as set forth in section 3 (G) and: Fifty (50) 23,500 gallon nominal capacity tank cars, DOT 111A100W3, exterior coiled and insulated with 100-ton roller bearing trucks with identifying marks and car numbers listed on EXHIBIT "A"

whether now owned or later acquired by Debtor, and all additions and accessions to the Collateral and all proceeds of the Collateral (see section 3).

(D) Use of Collateral. The Collateral will be used for (check one): ☐ personal, family, or household purposes; ☐ business use only (unless Secured Party consents in writing to another use); ☐ farming operations.

(E) Purchase Money. ☐ If this box is checked, this is a purchase-money security interest (see section 3(B)).

(F) Location of Collateral (see section 5(C)): The Collateral will be kept at tank cars wherever located (no. and street) (city) (county) (state)

If the Collateral is or will become attached to real estate or is crops, timber to be cut, mining products, or gas or oil to be extracted, the real estate is N/A

and the record owner is _____ (name)

(G) Obligations. An "Obligation" includes any debt, liability, or other obligation of Debtor to Secured party for or relating to the payment of money (whether it now exists or arises later; whether it is direct, contingent, primary, secondary, joint, several, joint and several, or otherwise; whether it is evidenced by note, endorsement, guaranty, overdraft, or otherwise; and whether it is of the same character as any other Obligation secured hereby). It is the true, clear, and express intention of the Debtor that the continuing grant of this security interest remain as security for payment and performance of all Obligations whether, or not, such Obligation(s) is/are related to the transaction described in the agreement, by class, or kind, or whether or not contemplated by parties at the time of the granting of this security interest. The notice of the continuing grant of this security interest therefore shall not be required to be stated on the face of any document representing any such Obligation, nor otherwise identify it as being secured hereby; and if such Obligation shall remain, or become that of less than all of the Debtors herein, any Debtor not liable therefore hereby expressly hypothecates his, her, its, or their ownership interest in the collateral to the extent required to satisfy said Obligation(s) without restriction, or limitation. Any such Obligation shall be deemed to have been made pursuant to Section 9-204(5) of the Uniform Commercial Code. Obligations include (as applicable, describe by instruments, dates, and amounts):

ALSO SECURES ALL PRESENT AND FUTURE INDEBTEDNESS

and any renewal, rearrangement, or extension of any Obligation. This security agreement will not secure any obligation governed by the Federal Truth in Lending Act unless the document evidencing the obligation properly discloses that it is so secured.

SECTION 2. GRANT OF SECURITY INTEREST

(A) Creation. Debtor hereby grants Secured Party a security interest in the Collateral described above in section 1(C), to secure performance and payment of every Obligation defined above in section 1(G). Debtor's payment obligations are further described below in section 4.

SECTION 3. COLLATERAL

(A) Identification of Collateral. The Collateral of this agreement is described above in section 1(C).

(B) Purchase Money. If section 1(E) above is checked, Debtor is buying the Collateral with the proceeds of one or more loans by Secured Party to Debtor and Secured Party may (at its option) either advance funds to Debtor or disburse funds directly to the seller of the Collateral.

(C) Consumer Goods. Regardless of any other language in this agreement or other related document, the security interest granted hereby does not apply to any consumer goods (other than accessions) in which Debtor acquires rights more than ten days after any Obligation secured hereby arises.

(D) Inventory. If any of the Collateral is inventory, it includes all goods, merchandise, raw materials, work in process, finished goods, and other tangible personal property that Debtor now owns or later acquires (whether Debtor holds it for sale or lease, furnishes or will furnish it under a service contract, or consumes it in Debtor's business) and all contract rights related thereto.

(E) Accounts. If any of the Collateral is accounts, it includes all rights to payment for goods sold or leased or for services rendered that are not evidenced by an instrument or by chattel paper (whether or not they have been earned by performance) and includes all such accounts that Debtor now owns or later acquires, all proceeds thereof, and all contract rights relating thereto.

(F) Fixtures. If any of the Collateral is fixtures, they are or will be installed in, affixed to, or attached to the real property identified above in section 1(F).

(G) Pledge. The Collateral includes all money or property that may be delivered to or deposited with Secured Party today or hereafter; all money or property already delivered to, deposited with, or in the possession, custody, or control of Secured Party; and all money or property that may come into Secured Party's possession, custody, or control (in any manner and for whatever purpose) during the existence of this agreement. Such money or property is Collateral whether held in a general or special account and whether deposited for safekeeping or otherwise. Such Collateral includes deposit accounts, stock rights, rights to subscribe, liquidating dividends, dividends paid in stock or in cash, new securities, and other property that Debtor may later become entitled to receive because of such securities or other property. If Debtor receives any such property, Debtor will immediately deliver it to Secured Party to be held by Secured Party in the same manner as the property originally deposited as Collateral.

(H) Proceeds. The inclusion of proceeds in the Collateral does not authorize Debtor to sell, dispose of, or otherwise use the Collateral in any manner not specifically authorized by this agreement.

SECTION 4. DEBTOR'S PERFORMANCE OBLIGATIONS

(A) Principal Obligation. Debtor will pay Secured Party and otherwise perform every Obligation (as defined above in section 1(G)) that now or later is due or performable, in accordance with the terms of any agreement on which the Obligation is based (whether now existing or arising later) and the terms of this security agreement. Debtor will immediately pay and perform, without notice, every entire unpaid or unperformed Obligation if Debtor defaults as described below in section 6.

(B) Costs. Debtor will pay Secured Party on demand every expense (including reasonable attorney's fees and other legal expenses) incurred or paid by Secured Party in exercising or protecting its interests, rights, and remedies under this agreement, plus interest thereon at 18% per year until reimbursed.

(C) Waivers and Consents. This agreement will not be affected by—and Secured Party is hereby released from all liability and obligation on account of—any indulgence, extension, or change in the form, maturity, interest rate, or other aspect of any Obligation or by want of presentment, notice, protest, suit, or demand on any such Obligation.

SECTION 5. DEBTOR'S REPRESENTATIONS, AGREEMENTS, AND WARRANTIES

(A) Ownership and Freedom from Claims. Debtor owns the Collateral or has written authorization from its owner to grant this security interest to Secured Party. If Debtor is not the owner, such written authorization is attached hereto. Debtor will defend the Collateral and its proceeds against all others' claims. Except for the security interest granted herein, the Collateral is not subject to any lien, security interest, encumbrance, or other claim. If the Collateral is affixed to real estate or is installed in or affixed to other goods, Debtor will (on Secured Party's demand) give Secured Party a disclaimer, signed by every person having an interest in the realty or other goods, of every interest in the Collateral that is prior to Secured Party's interest. Debtor will not sell, transfer, lend, rent, lease, or otherwise dispose of the Collateral or any interest in it except as authorized in this agreement or in another writing executed by Secured Party. Debtor will keep the Collateral (including proceeds) free from unpaid charges (including taxes) and from liens, encumbrances, security interests, and claims other than those of Secured Party unless Secured Party first consents in writing. If any of the Collateral is investment securities, certificates of deposit, instruments, chattel paper, or like property delivered to Secured Party, all persons appearing to be obligated thereon have authority and capacity to contract and are bound thereon as they appear to be from the face thereof, and such Collateral complies with applicable laws concerning form, content, and manner of preparation and execution.

(B) Protection of Collateral. Debtor will at all times insure that part of the Collateral that is tangible property against fire, theft, and such other risks as Secured Party may require, including standard extended coverage and (in the case of a motor vehicle) collision coverage. Each insurance policy will contain such terms, be in a form, be for a period, and be written by a company satisfactory to Secured Party. Each policy will contain a standard mortgagee's endorsement providing for payment directly to Secured Party for any loss affecting the Collateral. Each policy will provide for at least ten days' written cancellation notice to Secured Party. Debtor will furnish Secured Party with certificates (or other evidence) satisfactory to Secured Party that Debtor has complied with these insurance provisions. Secured Party may act as Debtor's attorney in obtaining, settling, and canceling such insurance and endorsing any draft drawn by any insurer of the Collateral. Secured Party may apply any proceeds of such insurance that it may receive in payment on account of any Obligation secured by this agreement, whether due or not. The Collateral will not be misused, abused, wasted, or allowed to deteriorate (except for ordinary wear and tear of its intended primary use) and will not be used illegally.

(C) Debtor's Address and Location of Collateral. If the Collateral is primarily for business use and is of a type normally used in more than one state (such as automotive equipment, rolling stock, aircraft, road building equipment, commercial harvesting equipment, construction machinery, and the like), the address stated above in section 1(A) is Debtor's chief place of business; otherwise it is Debtor's residence. Debtor will immediately notify Secured Party in writing of any change of such address. The Collateral will remain in Debtor's possession or control at all times (at Debtor's risk of loss) and will be kept at the address stated above in section 1(F) or (if 1(F) is blank) in section 1(A), where Secured Party may inspect it at any time. Except for its temporary removal in connection with its ordinary use, Debtor will not remove the Collateral from such address without first obtaining Secured Party's written consent.

(D) Secured Party's Responsibilities. Secured Party will not be responsible for any depreciation in the Collateral's value and has no duty to take steps necessary to preserve rights against third parties or to enforce collection of the Collateral by legal proceedings or otherwise. The only duties of Secured Party regarding Collateral are (1) to use reasonable care in its custody and preservation, (2) to receive collections, remittances, and payments on such Collateral, and

and when made and received by Secured Party; and (3) to apply any amount so received (after deducting any collection costs incurred) as payment on any Obligation of Debtor to Secured Party or (at Secured Party's option) to hold the same for Debtor's account.

(E) Financial and Other Statements. All information supplied and statements made by Debtor in any financial, credit, or account statement or in any credit application (whether before, after, or at the time as the execution of this agreement) are true and complete.

(F) Execution of Documents. Debtor will execute any financing statement or other document, will procure any document, and will pay any connected costs necessary to protect the security interest against the rights or interests of others. If any certificate of title exists for any of the Collateral, Debtor will cause Secured Party's interest to be properly noted on it. Debtor will (at Debtor's expense) do, make, procure, execute, or deliver every act, thing, writing, or assurance that Secured Party may at any time request to protect, assure, or enforce Secured Party's interests, rights, and remedies pertaining to this agreement.

(G) Accounts and Contract Rights. Debtor's accounts receivable arose in the ordinary course of Debtor's business, from the performance of services that Debtor has fully and satisfactorily performed or from the absolute sale of goods in which Debtor had sole and complete ownership. Any such goods have been shipped or delivered to the account debtors, Debtor has possession of shipping or delivery receipts, and the goods have not been returned, rejected, lost, or damaged. No such account is subject to setoff, counterclaim, defense, allowance, or adjustment (other than discount for prompt payment as shown on the invoices) or to dispute, objection, or complaint by the account debtor. Debtor has not received any notice of bankruptcy, insolvency, or financial embarrassment of the account debtor. If Secured Party so requests, Debtor will maintain one or more special bank accounts with Secured Party or any other bank Secured Party may designate; Secured Party will have sole power of withdrawal, and Debtor will deposit on receipt all payments received on its accounts and contract rights or for inventory sold. In its discretion, Secured Party may use such funds to reduce any Obligation. At Secured Party's request, Debtor will notify all its debtors to pay Secured Party directly.

SECTION 6. EVENTS OF DEFAULT

(A) Insufficient Collateral. It is an Event of Default if Secured Party at any time believes that the Collateral is not sufficient or has declined or may decline in value, if Secured Party deems the prospect of payment or performance of Debtor's Obligations to Secured Party to be impaired, or if Secured Party otherwise deems itself insecure. In case of such an Event of Default, Secured Party may call for additional collateral satisfactory to Secured Party, and Debtor will furnish such additional security immediately. The call for additional security may be oral, may be by telegram or teletype, or may be by other writing deposited with a common carrier, private courier, or delivery service or with the U.S. Postal Service, and the call may be addressed to Debtor at the address stated above in section 1(A). It likewise is an Event of Default if Debtor fails to furnish additional security that is satisfactory to Secured Party after Secured Party makes such call for additional collateral.

(B) Failure to Satisfy Obligation. It is an Event of Default under this security agreement if Debtor fails to pay when due any Obligation, whether principal, interest, or some other authorized charge; if Debtor fails to punctually perform any obligation, covenant, term, or provision contained or referred to in this agreement or in any instrument secured by this agreement; if any guarantor, surety, or endorser for Debtor defaults in any Obligation; or if Debtor fails to pay any debt owed another.

(C) Breach of Warranty. It is an Event of Default if any warranty, representation, or statement contained in this agreement or made or furnished to Secured Party by or on behalf of Debtor in connection with this agreement or to induce Secured Party to extend credit to Debtor was false in any respect when made or furnished. This includes any statement of the financial condition of Debtor (or of any guarantor, surety, or endorser of any Obligation) submitted to Secured Party by Debtor or by any such guarantor, surety, or endorser.

(D) Loss or Impairment of Collateral. It is an Event of Default if any loss, theft, substantial damage, destruction, sale, or encumbrance of or to any of the Collateral occurs or if any levy, seizure, garnishment, or attachment of or on the Collateral is made.

(E) Insolvency or Termination. It is an Event of Default if Debtor's death, dissolution, termination of existence, insolvency, or business failure occurs; if a receiver, trustee, or custodian of any of Debtor's property is appointed; if an assignment for the benefit of Debtor's creditors occurs; if a meeting of Debtor's creditors is called; or if any proceeding under any bankruptcy or insolvency laws is initiated by or against Debtor or any guarantor or surety for Debtor.

SECTION 7. SECURED PARTY'S RIGHTS AND REMEDIES

(A) Assignment. Secured Party may from time to time assign this agreement, Secured Party's rights under this agreement, or any Obligation. In any such case the assignee will be entitled to all rights, privileges, and remedies granted in this agreement to Secured Party, and Debtor will not assert against the assignee any claims or defenses Debtor may have against Secured Party (except those granted in this agreement).

(B) Inspection. Secured Party may enter on Debtor's premises at any reasonable time to inspect the Collateral or Debtor's books and records pertaining to the Collateral, and Debtor shall assist Secured Party in making any such inspection.

(C) Attorney in Fact. Secured Party may execute, sign, endorse, transfer, or deliver in Debtor's name any note, check, draft, or other instrument for the payment of money and any receipt, certificate of origin, application for certificate of title, or other document necessary to evidence, perfect, or realize on the security interest and obligations created by this agreement.

(D) Payment and Reimbursement. At its option, Secured Party may discharge taxes, liens, security interests, or other encumbrances at any time levied or placed on the Collateral; may pay for insurance on the Collateral; and may pay for the maintenance or preservation of the Collateral (including feed, rent, and storage). Debtor will reimburse Secured Party on demand for any payment made or expense incurred by Secured Party pursuant to the foregoing authorization and will pay Secured Party interest on such amounts at 18% per year until such reimbursement.

(E) Acceleration of Maturity of Obligations; Repossession of Collateral. At any time after an Event of Default occurs, Secured Party may declare every Obligation immediately due and payable (less any refund required by law) and shall have every right and remedy of a secured party under the Texas Business and Commerce Code, including (without limitation) the right to sell, lease, or otherwise dispose of any of the Collateral and the right to take possession of it. For that purpose Secured Party may enter on any premises where any of the Collateral may be situated and remove it without breaching the peace. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale of the Collateral or of the time after which any private sale or other disposition of the Collateral will be made. The requirement of sending reasonable notice will be met if the notice is mailed, postage prepaid, to Debtor at the address stated above in section 1(A) (or to such other address furnished Secured Party under section 5(C)) at least five days before the sale or disposition. Expenses of retaking, holding, preparing for sale, selling, or the like will include Secured Party's reasonable attorney's fees and legal expenses. Debtor will remain liable for any deficiency. All expenses and any deficiency will bear interest at 18% per year from the date incurred until reimbursed.

(F) Accounts and Contract Rights. Secured Party may notify any account debtor or any obligor on any account, chattel paper, negotiable instrument, contract, or other evidence of indebtedness to Debtor to pay Secured Party directly.

(G) Sale or Transfer of Collateral in Possession. If Secured Party has possession of the Collateral, it may at any time transfer such stock or other Collateral to itself or its nominee, receive income or other proceeds of it (including stock or cash dividends), and hold the income or proceeds as part of the Collateral or (in Secured Party's discretion) apply it to any Obligation. Secured Party will not have any responsibility for ascertaining (or informing Debtor of) any maturity, call, conversion, exchange, offer, tender, or similar matter relating to any of the stock or other Collateral (whether Secured Party has or is deemed to have knowledge). Secured Party will not be required to take any action that Debtor may request or authorize unless Secured Party determines (in its sole discretion) that such action will not adversely affect the Collateral's value as collateral and the pertinent request or authorization is made in writing, signed by Debtor, and actually received by Secured Party. Secured Party at any time may demand, sue for, collect, or make such compromise or settlement regarding the Collateral as Secured Party chooses. Secured Party may in its discretion sell, assign, and deliver any of the Collateral at any broker's board or at public or private sale without notice or advertisement and may bid and purchase at any public sale or at any broker's board.

(H) Delivery of Collateral for Debtor. If Debtor instructs Secured Party (in writing or orally) to deliver any of the Collateral to a broker or other party and Secured Party agrees to do so, the following conditions will be conclusively deemed to be a part of Secured Party's agreement, whether or not they are specifically mentioned to Debtor at the time of such agreement. Secured Party will assume no responsibility for checking the genuineness or authenticity of any person to whom Debtor has directed Secured Party to deliver the Collateral or the genuineness or authenticity of any document or instructions delivered by any such person. By requesting any such delivery, Debtor will be considered as assuming all risk of loss as to the Collateral. Secured Party's sole responsibility will be to deliver the Collateral to the person purporting to be the broker or other third party or a messenger, employee, or representative thereof. Secured Party and Debtor hereby expressly agree that the foregoing actions by Secured Party will constitute reasonable care.

(I) Cumulation of Remedies. Secured Party may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default. Secured Party's remedies under this agreement are cumulative, and the exercise of any remedy under this agreement is not to be construed as waiving any other remedy of Secured Party.

SECTION 8. ADDITIONAL AGREEMENTS

(A) Additional Definitions. The term "Debtor" as used in this agreement is to be construed as singular or plural to correspond with the number of persons executing this instrument as Debtor. The pronouns used in this instrument are in the masculine gender but shall be construed as feminine or neuter as occasion may require. "Secured Party" and "Debtor" as used in this instrument include the heirs, executors or administrators, successors, representatives, receivers, trustees, custodians, and assigns of those parties.

(B) Joint and Several Liability. If more than one person or entity executes this instrument as Debtor, their obligations under this instrument will be joint and several.

(C) Captions. The section and paragraph captions appearing in this instrument were inserted for convenience only and are not to be given any substantive meaning or significance whatever in construing this agreement. Terms used herein that are defined in the Texas Business and Commerce Code are used as defined therein.

(D) Governing Law. The law governing this secured transaction will be that of the State of Texas in force at the date of this agreement, except as federal law may apply.

EXECUTED this 30th day of October, 19 86 in Houston, Harris County, Texas.

Secured Party

Debtor(s)

By John E. Davis

Robert K. Moses, Jr.
ROBERT K. MOSES, JR.

Title: President

STATE OF TEXAS *

*

COUNTY OF HARRIS *

This instrument was acknowledged before me this 30 day of October, 1986, by ROBERT K. MOSES, JR..

Judy A. Eulert
Notary Public in and for
The State of Texas

JUDY EULERT
Notary Public in and for the State of Texas
My Commission Expires August 18, 1990

STATE OF TEXAS *

*

COUNTY OF HARRIS *

This instrument was acknowledged before me this 30 day of October, 1986, by JOHN E. DAVIS, President of UNIVERSITY STATE BANK, a banking corporation, on behalf of said corporation.

Judy A. Eulert
Notary Public in and for
The State of Texas

JUDY EULERT
Notary Public in and for the State of Texas
My Commission Expires August 18, 1990

EXHIBIT "A"

Fifty (50) 23,500 gallon nominal capacity tank cars, DOT 111A100W3, exterior coiled and insulated with 100-ton roller bearing trucks with the following identifying marks and car numbers:

RTMX 12476	→ RTMX 12477	RTMX 12478	RTMX 12479
RTMX 12480	RTMX 12487	RTMX 12582	RTMX 12583
RTMX 12584	RTMX 12585	RTMX 12586	-RTMX 12587
RTMX 12588	RTMX 12589	RTMX 12590	RTMX 12591
RTMX 12592	RTMX 12593	RTMX 12651	RTMX 12652
RTMX 12653	RTMX 12654	RTMX 12655	RTMX 12656
RTMX 12657	RTMX 12658	RTMX 12659	RTMX 12660
RTMX 12661	RTMX 12662	RTMX 12663	RTMX 12748
RTMX 12749	RTMX 12750	RTMX 12752	RTMX 12753
RTMX 12754	RTMX 12755	RTMX 12756	RTMX 12757
RTMX 12758	RTMX 12847	RTMX 12848	RTMX 12859
RTMX 12860	-RTMX 12861	RTMX 12862	RTMX 12863
RTMX 12864	RTMX 12865		